Saskatchewan
Public
Participation

Annual Report 1988-89

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Letters of Transmittal

Regina, Saskatchewan
March, 1990

To Her Honour,
The Honourable Sylvia Fedoruk
Lieutenant Governor of Saskatchewan

Madam:

It is my pleasure to present herewith the Annual Report of Saskatchewan Public Participation for the fiscal year ending March 31, 1989.

Respectfully submitted,

Lorne H. Hepworth
Minister
Saskatchewan
Public Participation

Regina, Saskatchewan
March, 1990

The Honourable Lorne Hepworth
Minister of Public Participation

Sir:

I am proud to submit the Saskatchewan Public Participation 1988-89 Annual Report.

Respectfully submitted,

Graham Parsons
Deputy Minister
Saskatchewan
Public Participation

The Public Participation Program

Public participation in the economy stimulates economic growth and diversification through:

- **BOND OFFERINGS** which allow provincial residents to make secure investments and build savings while participating in the economic development of the province. Money raised through the sale of bonds pays for new services, helps to stabilize costs to the consumer and pays interest to Saskatchewan people instead of financiers abroad;
- **SHARE OFFERINGS** which allow former Crown corporations access to new capital so they can grow and diversify as Saskatchewan public companies. Saskatchewan people can benefit from dividends on their investment and growing value in their shares;
- **EMPLOYEE OWNERSHIP** which improves productivity and quality of former government commercial assets and enterprises;
- **NEW FORMS OF SERVICE DELIVERY** which result in improved service, reduce cost to the taxpayer and involve clients more directly in the services they receive; and,
- **THE DEVELOPMENT OF PUBLIC ASSETS** in partnership with the private sector, which strengthens the economy through better operation of commercial assets.

Principles

The Public Participation program is designed to increase widespread participation of Saskatchewan people, employees, community groups and business in the economy of the province.

Public Participation will:

- **BUILD** a better economy based on **RESPONSIBLE MANAGEMENT** of resources and the proven strengths of Saskatchewan people;
- **CREATE** active partnerships between the public, business, communities and government to **DIVERSIFY** the industrial base;
- **FOSTER** widespread public consultation, input, and active participation; and,
- **PROTECT** the rights of employees and Saskatchewan citizens at large.

Standards for Action

Ideas for Public Participation projects may come from a variety of sources: the public or private sector; volunteer groups; independent organizations and agencies; and, the public at large.

The Government will act only on those ideas which:

- **Result** in **increased participation** in the economy by all Saskatchewan people;
- **Contribute to economic development and diversification;**
- **Protect the public interest** by maintaining or improving service to the public and by **demonstrating accountability** for public expenditures;
- **Respect the rights and interests of public sector employees;**
- **Achieve value for money** for the taxpayer; and,
- **Are fair and can be shown to be fair for all Saskatchewan citizens.**

Objectives

Public Participation:

- Provides **opportunities** for large numbers of Saskatchewan people to participate directly in the development of the economy and in the delivery of government services;
- **Creates new economic activity** by building on the multi-billion dollar service and asset base of the provincial government and the skills of public servants; and,
- Generates **revenues, cost savings and tax benefits** for Saskatchewan people.

Public Consultation

During the 1988/89 fiscal year, the Minister of Public Participation and Departmental officials held extensive consultation meetings for the general public and public service employees throughout Saskatchewan.

Consultations with public service employees were structured to provide general information on the program and employee policies. The open forum style of these meetings provided an active and useful exchange of ideas and opinions between employee participants and officials of the Department.

In public forums, the Minister and Departmental officials presented information on each of the four program streams of the Public Participation program. The day-long sessions featured a variety of guest speakers representing key agencies and Crown corporations with demonstrated potential for Public Participation initiatives. Speakers profiled the corporate and financial history of their organizations, leading up to potential involvement in the program.

Participants in each meeting were actively encouraged to pose questions, express their opinions and offer advice to government on the full range of activities involved in the Public Participation program.

The feedback received from both meetings with the general public and meetings with public service employees has provided valuable guidance for program development and insight into the effect of particular policies or initiatives.

Bond Offerings

Government of Saskatchewan bonds offer Saskatchewan citizens secure investment opportunities with a competitive rate of interest. By purchasing these bonds, Saskatchewan people help to fund important capital projects. This reduces the need for out-of-province borrowing and helps to diversify the economy with Saskatchewan capital. The interest on these bonds stays in the province to circulate locally.

In 1988-89, Saskatchewan Power Corporation and Saskatchewan Telecommunications offered corporate bonds, available to Saskatchewan residents only. The PowerBonds VE series are convertible for shares in SaskOil. Telebonds were available as Credit Bonds, with interest applied against monthly telephone bills, or as regular Interest Bonds.

SaskPower Bonds
Series V and Series VE (Convertible)

Date of Issue:	July 6, 1988
Interest Rate on Issue:	9 1/4 percent
Interest Rate Adjusted:	10 1/2 percent, January 6, 1989
Total Applied For:	$343 million
Denominations:	$100 each
Total Participants:	42,211 people
Installment Option:	25 percent down, balance in three equal payments
Payroll Deduction:	SaskPower and Saskatchewan public service employees
Term:	Three years

SaskTel Bonds

	Interest Bond	Credit Bond
Date of Issue:	March 1, 1989	March 17, 1989
Interest Rate on Issue:	11 percent	14 percent
Total Issued:	$69.5 million	$36.8 million
Denominations:	$100 each	
Total Participants:	33,562 people	
Installment Option:	10 percent down, 10 monthly payments by telephone bill	
Payroll Deduction:	SaskTel employees, Saskatchewan public service employees, private sector employees	
Term:	Five Years	

Share Offerings

Share offerings in former Crown corporations offer equity financing and provide the means for the company to grow and diversify from its base in Saskatchewan. Saskatchewan residents who invest in shares help to build the provincial economy, create jobs and opportunities.

In 1988/89, the Westbridge Computer Corporation had its initial public offering. The following details demonstrate the rapid growth of Westbridge since its establishment as a Saskatchewan public company.

Westbridge Computer Corporation

A unique merger of SaskComp, the Data Terminal Division and Data Centre of SaskTel, the Mercury and Leasecorp groups of companies

Result:	Fully integrated computer company
1st Year Revenues:	$127.7 million
Employees at merger:	430
Immediate new jobs:	66
Employee base March/89:	800
Saskatchewan payroll:	$1.5 million/month
Initial Public Offering:	Shares sold at **$9** 98% employee take-up of 20% of shares Westbridge is more than 83% held by Saskatchewan residents

Fastest growing company in Saskatchewan; catapulted from **43rd to 8th** in one year;

10,000 terminals on line, more than Air Canada's national reservations system;

Corporate citizenship contributions: $500,000 (Team Westbridge - drug abuse program, Jeux Canada Games and Symposium on the Family);

Prints international boarding passes for Air Canada and tickets for major sporting teams: NFL, CFL, American College teams, NHL, NBA and major league baseball teams.

Bond and Share Offerings: 1988-89

AMOUNT RAISED THROUGH BOND OFFERINGS TO MARCH 31, 1989

BONDS:	**($ millions)**
SaskOil	15.0
SaskPower	
Series I-IV	357.5
Power Plus	343.0
SaskTel - Telebonds	106.4
TOTAL	**$821.9**

Bond Offerings represent money borrowed by Crowns from Saskatchewan people to fund development and diversification projects.

AMOUNT RAISED THROUGH SHARE OFFERINGS TO MARCH 31, 1989

BONDS:	**($ millions)**
SaskOil	110.0
Westbridge	13.5
PowerPlus Convertible	125.0
TOTAL	**$248.5**

As publicly traded companies, former Crown corporations are permitted access to the necessary equity capital to enable growth, diversification and expansion into new markets.

Employee Ownership

Employee-owned companies help Saskatchewan people take an active role in the province's economy and offer public service employees an opportunity to become entrepreneurs.

Giving employees a direct stake in their company spurs productive and efficient effort and yields profit. The business community can expand and improve its competitive position. New investment opportunities will set the stage for new markets, new companies, and better products and services for Saskatchewan.

The Toronto Stock Exchange estimates that employee-owned companies are as much as 25 percent more productive than other comparable companies listed on their exchange. The productivity gains are credited to ownership, incentive and efficiency.

In Saskatchewan, the response to employee ownership has been strong. In the year under review, a number of employee-owned companies were created.

NorSask Forest Products

The employees and local Indian bands in Meadow Lake bought the government-owned sawmill. The new employee-owned venture eliminated a $1 million a year loss to taxpayers. The company protected 183 permanent jobs and another 250 seasonal jobs in harvesting, hauling and reforestation.

The project has encouraged over $1.4 million in new investment through bush contracts to northern communities. In addition, a new $236 million pulp mill will be built in Meadow Lake. The project will employ 500 workers during construction. Over 115 permanent jobs will be created in the pulp mill and another 350 in the bush when the work is complete.

DirectWest Publishing Ltd.

During 1988/89, 53 employees of SaskTel's Yellow Pages became the largest single shareholders in DirectWest Publishing Ltd. They joined as partners with Brigden's Printers and Publishers and immediately expanded and diversified their markets. The company negotiated a long-term contract with SaskTel to print and publish SaskTel's 10 annual phone directories.

Printco Graphics

Employees of the Saskatchewan Government Printing Company formed their own business and broadened their base of operations to include the private sector. Twenty-one jobs were protected when every employee bought shares in Printco Graphics.

The government is assisting Printco's transition by providing a declining amount of guaranteed work over a five year period. Seven new jobs have been created.

Media House Productions Ltd.

An audio visual technician and eight other employees in the Tape Duplication Branch of Saskatchewan Education formed Media House Productions Ltd. They negotiated a contract with the government to deliver these services from the private sector and will cut costs to taxpayers by $800,000 over a five year period.

PARTICIPATION BY SASKATCHEWAN PEOPLE IN THE ECONOMY TO MARCH 31, 1989

BONDHOLDERS:		
SaskPower - Series I-IV	45,385	
Power Plus	42,211	
SaskOil	2,100	
SaskTel - Telebonds	33,600	
		123,296
SHAREHOLDERS:		
SaskOil	14,800	
Westbridge	1,850	
		16,650
EMPLOYEE OWNERS:		
Westbridge	650	
NorSask Forest Products	183	
SaskOil	261	
Printco Graphics	28	
DirectWest Publishers	44	
Media House Productions	12	
		1,178
TOTAL - BOND AND SHAREHOLDERS		**141,124**

New Forms of Service Delivery

Public Participation looks at new approaches to deliver public services which result in improved service, reduced cost to the taxpayer, gives greater local control, and creates economic benefits. In all cases, service is closely monitored to ensure standards are maintained and essential public services are protected.

- **Roadside mowing** was successfully contracted by the **Department of Highways and Transportation** to local farmers and business people at a cost saving of over 50 percent. New income opportunities were created in rural areas.
- Over **$15 million** was invested in **Saskatchewan parks**. Private sector companies built new hotels, water slides, golf courses and concessions and created new jobs and businesses without increased public spending.
- The **Moose Jaw Alpine Ski Club** successfully re-opened the **White Track Ski Hill**. In the first year of operation, they broke even on what had been a money-losing government operation.
- **Used cans and plastic bottles** are collected under contract by the **Saskatchewan Association of Rehabilitation Centres.** Over 140 jobs have been created for the physically and mentally disabled.
- Department of Justice **data entry services** were contracted to **private firms**. Five new jobs were created.
- Operation of the **Provincial Inquiry Centre** has been contracted to the same firm that delivers the service for the Federal government. Residents receive access to both federal and provincial information sources in both official languages. Taxpayers save $118,000 a year and five new jobs have been created.
- A former government-employed **welder** has **started his own business** to deliver welding services to the government from the private sector. Taxpayers save 35 percent and two new jobs have been created.

Asset Development

Government holds billions of dollars in Crown assets. Land, commercial operations and real estate facilities make up the bulk of these assets.

Inviting new partners to participate in the development of provincial assets has led to the creation of major economic benefits for Saskatchewan people.

Weyerhaeuser Canada Ltd. - Saskatchewan Division

The Prince Albert Pulp Company was losing an average of $91,000 a day. In 1986, it was sold to Weyerhaeuser, an international paper company with experience in the industry. In this fiscal year, the company officially opened a new $250 million paper mill and announced plans to expand the facility to include a paper cutter. So far, the net result is the creation of over 1000 temporary and 169 permanent new jobs. Twenty five more jobs will be added when the paper cutter is complete. Weyerhaeuser employs 1100 Saskatchewan people and has an annual Saskatchewan payroll of $25 million. The company produces 210,000 tons of paper annually and ships finished paper to 16 states and seven provinces.

New Investment Through Public Participation in the Economy
Initiatives Identified 1988-89

COMPANY	PARTICULARS	AMOUNT ($ millions)
Weyerhaeuser	new paper mill	250.0
	expansion of Saskatoon Chemicals	25.0
SaskOil	development of SaskPower's gas reserves	100.0
Premier Sask. Enterprises Ltd.	modernization of peat moss division	2.5
	research funding	.5
NorSask Forest Products	Meadow Lake sawmill - bush contracts	1.4
	- pulp mill (Millar Western)	236.0
	- sawmill modernization	3.2
	- sawmill expansion	1.7
Various Investors	new development of provincial parks (i.e., golf courses, hotels, marinas)	15.0
Moose Jaw Wild Animal Park	park site development - new facilities	.9
TOTAL		$ 636.2

Policy and Communications Division Report

Communications Branch

Mission

To educate and motivate Saskatchewan people to become active participants in the economy.

Corporate Communications

To develop, implement and manage a strategic communications program that supports the needs of the Department and client organizations.

Public Awareness and Education

To ensure the widespread distribution of program and policy information to the Saskatchewan public.

Media Monitoring

To monitor, evaluate, document, and analyze issues and trends specific to Public Participation.

Stakeholder Relations

To actively seek input and consult with Saskatchewan people across all sectors of society.

Policy Branch

Mission

To contribute to the successful achievement of the Government's Public Participation program through policy development and evaluation.

Policy Development

To provide analytical and research support to the Department and develop and evaluate guidelines for Public Participation initiatives.

Policy Evaluation

To assist in monitoring and evaluating the success of the Public Participation program.

Management Information

To lead the development and maintenance of program and project information which supports departmental planning and decision-making.

Intergovernmental Liaison

To establish and maintain liaison and sharing of information with other jurisdictions in Canada.

Highlights:

The Policy and Communications Division was actively involved in a number of key areas:

A corporate communications program was established and communications support was provided for all projects implemented by the Operations Branch;

An in-depth stakeholder analysis was completed;

The first intergovernmental meeting of senior officials across Canada was held to discuss public participation experiences;

A Departmental system was developed to organize and track projects;

Major projects in employee ownership, a national savings and investment strategy, and new approaches to economic development were undertaken;

Public consultation meetings and employee seminars were held throughout the province;

Ongoing advice and support was provided to the Minister and Deputy Minister.

Operations Division Report

Mission

To evaluate, coordinate and develop successful Public Participation initiatives.

Project Evaluation

To conduct an ongoing review of potential projects, ensure Departmental objectives are met, evaluate the business plan, identify and assess the effect of projects.

Client Relations

To facilitate and coordinate a two-way communications process with community leaders and project participants, including employees.

Project Management

To develop appropriate implementation strategies, plan and schedule project activities, provide advice and guidelines on Public Participation, and provide timely advice.

Highlights

A number of major projects were undertaken. Operations advisors evaluated each project against Public Participation criteria and procedures and assisted in project implementation. These included:

Data entry services
DirectWest Publishing Ltd.
Highway Ditch Mowing
Janitorial services
Media House Productions
NorSask Forest Products
Printco Graphics
Pro Arc Welding
Provincial Inquiry Centre
Saskatchewan parks
SaskMinerals
SaskPower Bonds
SaskTel Bonds
Westbridge Computer Corporation
White Track Ski Area

Organization Reporting Structure